



Billing Code 5001-06

DEPARTMENT OF DEFENSE

Office of the Secretary

(Transmittal Nos. 11-48)

36(b)(1) Arms Sales Notification

AGENCY: Department of Defense, Defense Security Cooperation Agency.

ACTION: Notice.

SUMMARY: The Department of Defense is publishing the unclassified text of a section 36(b)(1) arms sales notification. This is published to fulfill the requirements of section 155 of Public Law 104-164 dated July 21, 1996.

FOR FURTHER INFORMATION CONTACT: Ms. B. English, DSCA/DBO/CFM, (703) 601-3740.

The following is a copy of a letter to the Speaker of the House of Representatives, Transmittals 11-48 with attached transmittal, policy justification, and Sensitivity of Technology.

Dated: November 21, 2011.

Aaron Siegel,
Alternate OSD Federal Register Liaison Officer,
Department of Defense.



DEFENSE SECURITY COOPERATION AGENCY
201 12TH STREET SOUTH, STE 203
ARLINGTON, VA 22202-5408

NOV 16 2011

The Honorable John A. Boehner
Speaker of the House
U.S. House of Representatives
Washington, DC 20515

Dear Mr. Speaker:

Pursuant to the reporting requirements of Section 36(b)(1) of the Arms Export Control Act, as amended, we are forwarding herewith Transmittal No. 11-48, concerning the Department of the Air Force's proposed Letter(s) of Offer and Acceptance to Indonesia for defense articles and services estimated to cost \$750 million. After this letter is delivered to your office, we plan to issue a press statement to notify the public of this proposed sale.

Sincerely,

William E. Landay III
Vice Admiral, USN
Director

Enclosures:

1. Transmittal
2. Policy Justification
3. Sensitivity of Technology



Notice of Proposed Issuance of Letter of Offer
Pursuant to Section 36(b)(1)
of the Arms Export Control Act, as amended

- (i) Prospective Purchaser: Indonesia
- (ii) Total Estimated Value:

Major Defense Equipment*	\$100 million
Other	<u>\$650 million</u>
TOTAL	\$750 million
- (iii) Description and Quantity or Quantities of Articles or Services under Consideration for Purchase: for the regeneration and upgrade of 24 F-16C/D Block 25 aircraft and 28 F100-PW-200 or F100-PW-220E engines being granted as Excess Defense Articles. The upgrade includes the following major systems and components: LAU-129A/A Launchers, ALR-69 Radar Warning Receivers, ARC-164/186 Radios, Expanded Enhanced Fire Control (EEFC) or Commercial Fire Control, or Modular Mission Computers, ALQ-213 Electronic Warfare Management Systems, ALE-47 Countermeasures Dispenser Systems, Cartridge Actuated Devices/Propellant Actuated Devices (CAD/PAD), Situational Awareness Data Link, Enhance Position Location Reporting Systems (EPLRS), LN-260 (SPS version, non-PPS), and AN/AAQ-33 SNIPER or AN/AAQ-28 LITENING Targeting Systems. Also included are tools, support and test equipment, spare and repair parts, publications and technical documentation, personnel training and training equipment, U.S. Government and contractor engineering, technical and logistics support services, and other related elements of logistical and program support.
- (iv) Military Department: Air Force (SAL)
- (v) Prior Related Cases, if any: None
- (vi) Sales Commission, Fee, etc., Paid, Offered, or Agreed to be Paid: None
- (vii) Sensitivity of Technology Contained in the Defense Article or Defense Services Proposed to be Sold: See Annex Attached
- (viii) Date Report Delivered to Congress: 16 November 2011

* as defined in Section 47(6) of the Arms Export Control Act.

POLICY JUSTIFICATION

Indonesia – Regeneration and Upgrade of F-16C/D Block 25 Aircraft

The Government of Indonesia has requested a sale for the regeneration and upgrade of 24 F-16C/D Block 25 aircraft and 28 F100-PW-200 or F100-PW-220E engines being granted as Excess Defense Articles. The upgrade includes the following major systems and components: LAU-129A/A Launchers, ALR-69 Radar Warning Receivers, ARC-164/186 Radios, Expanded Enhanced Fire Control (EEFC) or Commercial Fire Control, or Modular Mission Computers, ALQ-213 Electronic Warfare Management Systems, ALE-47 Countermeasures Dispenser Systems, Cartridge Actuated Devices/Propellant Actuated Devices (CAD/PAD), Situational Awareness Data Link, Enhance Position Location Reporting Systems (EPLRS), LN-260 (SPS version, non-PPS), and AN/AAQ-33 SNIPER or AN/AAQ-28 LITENING Targeting Systems. Also included are tools, support and test equipment, spare and repair parts, publications and technical documentation, personnel training and training equipment, U.S. Government and contractor engineering, technical and logistics support services, and other related elements of logistical and program support. The estimated cost is \$750 million.

The proposed sale will contribute to the foreign policy and national security of the United States by improving the security of a strategic partner that has been, and continues to be, an important force for economic progress in Southeast Asia.

Indonesia desires the F-16 aircraft to modernize the Indonesian Air Force (IAF) fleet with aircraft more capable of conducting operations in the outermost border regions of Indonesia. The IAF's current fleet of F-16 Block 15 aircraft is not capable of fulfilling that role, and the aging F-5 aircraft are expensive to maintain and operate due to diminishing resources existing to support the aircraft. The avionics upgrade will provide the IAF an additional capability benefitting security by modernizing the force structure, and enhancing interoperability by greater use of U.S.-produced equipment. Indonesia, which already has F-16 Block 15 and F-5 aircraft in its inventory, will have no difficulty absorbing these upgraded systems.

The proposed sale of this equipment and support will not alter the basic military balance in the region.

Indonesia requested the regeneration be sole sourced to the 309th Maintenance Wing, Hill Air Force Base, in Ogden, Utah, and Pratt Whitney, in East Hartford, Connecticut for the engine overhaul. There are no known offset agreements proposed in connection with this potential sale.

Implementation of this proposed sale will not require the assignment of any additional U.S. Government or contractor representatives to Indonesia.

There will be no adverse impact on U.S. defense readiness as a result of this proposed sale.

Transmittal No. 11-48
Notice of Proposed Issuance of Letter of Offer
Pursuant to Section 36(b)(1)
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Annex
Item No. vii

(vii) Sensitivity of Technology:

1. The ALQ-213 Electronic Warfare Management System provides a common control for the ALR-69 and Electronic Attack pods. The highest level of classification for hardware is Unclassified and the U.S. software load is Confidential.
2. The AN/ALE-47 Countermeasures Dispenser Set is a software reprogrammable dispenser of chaff and flares. It provides for either automatic or aircrew commanded response dispense capabilities. Specific dispense routines are sensitive. The export version use a country unique “look-up decision tree” for determining dispense routines. The hardware is Unclassified and the software when loaded in the ALE-47 is Confidential.
3. The AN/AAQ-33 SNIPER targeting system is Unclassified but contains technology representing the latest state-of-the-art in several areas. Information on performance and inherent vulnerabilities is classified Secret. Software (object code) is classified Confidential.
4. The AN/AAQ-28 LITENING targeting system is Unclassified but contains technology representing the latest state-of-the-art in several areas. Information on performance and inherent vulnerabilities is classified Secret. Software (object code) is classified Confidential.
5. If a technologically advanced adversary were to obtain knowledge of the specific hardware and software elements, the information could be used to develop countermeasures which might reduce weapon system effectiveness or could be used in the development of a system with similar or advanced capabilities.

[FR Doc. 2011-30369 Filed 11/23/2011 at 8:45 am; Publication Date: 11/25/2011]